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MINUTES OF THE REGULAR COMMISSION MEETING OF THE MICHIGAN PUBLIC SERVICE COMMISSION HELD IN ITS OFFICES ON FEBRUARY 22, 2011

Commission Chairman Orjiakor N. Isiogu called the meeting to order at 1:30 p.m.
Executive Secretary Mary Jo Kunkle called the roll and declared there was a quorum.

PRESENT

Commission: Orjiakor N. Isiogu, Chairman
Monica Martinez, Commissioner
Greg R. White, Commissioner

Staff: Sally Wallace
Judy Palnau
Mary Jo Kunkle
Catherine H. Bowers

Public: Robin Gleason, AT&T
Suzy Denison, MEGA
Beverly Roberts, Consumers Energy
Jerry Crandall, MIRS
Kwafo Adarkwa, ITC Holdings
Jim Padgett, DTE Energy
Tim Hoffman, Consumers Energy

- I. Chairman Isiogu announced two amendments to the published agenda, Section III B, Item #3, the caption was amended to read PSCR, and Section III B, Item #8, Case No. U-16583 was deleted, Commissioner Martinez moved to approve the amended agenda, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The amended agenda was approved.

- II. Commissioner Martinez moved to approve the minutes of the Regular Commission Meeting of February 8, 2011, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The minutes were approved.

III. ORDERS

A. COMMUNICATIONS

1. U-11352 FRONTIER TELEMAGEMENT, INC.
(license surrender)

Commissioner Martinez moved that the Commission adopt and issue order dated February 22, 2011 which involves a request by Frontier Telemagement Inc., to surrender its license to provide basic local exchange service. The order before you grants the request, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The order was adopted.

2. U-16444 B&S TELECOM, INC. v MICHIGAN BELL TELEPHONE COMPANY,
d/b/a AT&T MICHIGAN

Commissioner Martinez moved that the Commission adopt and issue order dated February 22, 2011 which involves a complaint brought by B&S Telecom, Inc., against AT&T Michigan. The order before you dismisses the complaint and orders B&S Telecom to pay the respondent's costs for defending the frivolous portion of the complaint, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The order was adopted.

B. ELECTRIC

1. U-12478 THE DETROIT EDISON COMPANY
(securitization)

Commissioner Martinez moved that the Commission adopt and issue order dated February 22, 2011 which involves the application of The Detroit Edison Company for approval of a financing order approving the securitization of certain regulatory assets and other qualified costs. The order before you approves the routine true-up adjustments to The Detroit Edison securitization bond and tax charges, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The order was adopted.

PRESS RELEASE ISSUED

2. U-16020 ENERNOC, INC.
(rehearing)

Commissioner Martinez moved that the Commission adopt and issue order dated February 22, 2011 which involves an investigation into appropriate rules and standards for the direct participation of Michigan retail customers in regional transmission organization wholesale power markets. The order before you grants in part and denies in part the petition for rehearing filed by EnerNOC, Inc., Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The order was adopted.

3. U-16045 CONSUMERS ENERGY COMPANY
(2010 PSCR plan)

Commissioner Martinez moved that the Commission adopt and issue order dated February 22, 2011 which involves an application by Consumers Energy Company for approval of a power supply cost recovery plan and factors for calendar year 2010. The order before you approves the power supply cost recovery plan and factors and authorizes Consumers to implement a factor of a negative \$0.00066 per kilowatt-hour, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The order was adopted.

4. U-16089 COMMISSION'S OWN MOTION
(order closing docket)

Commissioner Martinez moved that the Commission adopt and issue order dated February 22, 2011 which involved the Commission's own motion to implement the provisions of Section 10a(1) of PA

286 of 2008. The order before you closes the docket in this matter, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The order was adopted.

5. U-16395 ALPENA POWER COMPANY
(special contracts)

Commissioner Martinez moved that the Commission adopt and issue order dated February 22, 2011 which involves an application filed by Alpena Power Company for *ex parte* approval of a new tariff allowing for special contracts and for *ex parte* approval of four contracts based on the new tariff. The order before you approves the new tariff and the four contracts, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The order was adopted.

6. U-16423 NORTHERN STATES POWER COMPANY
(power supply cost recovery plan)

Commissioner Martinez moved that the Commission adopt and issue order dated February 22, 2011 which involves an application filed by Northern States Power Company for authority to implement a power supply cost recovery plan and establish a power supply cost recovery factor for the 12-month period ending December 31, 2011. The order before you approves a settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The order was adopted.

PRESS RELEASE ISSUED

7. U-16544 DETROIT THERMAL, LLC
(steam sales agreement)

Commissioner Martinez moved that the Commission adopt and issue order dated February 22, 2011 which involves an application filed by

Detroit Thermal, LLC, for *ex parte* approval of a back-up steam sales agreement. The order before you approves the application, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The order was adopted.

8. U-16580 ALPENA POWER COMPANY
U-16581 CONSUMERS ENERGY COMPANY
U-16582 THE DETROIT EDISON COMPANY
U-16584 INDIANA MICHIGAN POWER COMPANY
U-16585 NORTHERN STATES POWER COMPANY – WISCONSIN (XCEL)
U-16586 UPPER PENINSULA POWER COMPANY
U-16587 WISCONSIN PUBLIC SERVICE CORPORATION
U-16588 WISCONSIN ELECTRIC POWER COMPANY
U-16589 ALGER DELTA COOPERATIVE ELECTRIC ASSOCIATION
U-16590 BAYFIELD ELECTRIC COOPERATIVE, INC.
U-16591 CHERRYLAND ELECTRIC COOPERATIVE
U-16592 CLOVERLAND ELECTRIC COOPERATIVE
U-16593 GREAT LAKES ENERGY COOPERATIVE
U-16594 MIDWEST ENERGY COOPERATIVE
U-16595 ONTONAGON COUNTY RURAL ELECTRIFICATION ASSOCIATION
U-16596 PRESQUE ISLE ELECTRIC & GAS CO-OP
U-16597 THUMB ELECTRIC COOPERATIVE
U-16598 TRI-COUNTY ELECTRIC COOPERATIVE
U-16599 VILLAGE OF BARAGA
U-16600 CITY OF BAY CITY
U-16601 CITY OF CHARLEVOIX
U-16602 CHELSEA DEPARTMENT OF ELECTRIC & WATER
U-16603 VILLAGE OF CLINTON
U-16604 COLDWATER BOARD OF PUBLIC UTILITIES
U-16605 CROSWELL MUNICIPAL LIGHT & POWER DEPARTMENT
U-16606 CITY OF CRYSTAL FALLS
U-16607 DAGGETT ELECTRIC DEPARTMENT
U-16608 DETROIT PUBLIC LIGHTING DEPARTMENT
U-16609 CITY OF DOWAGIAC
U-16610 CITY OF EATON RAPIDS
U-16611 CITY OF ESCANABA
U-16612 CITY OF GLADSTONE
U-16613 GRAND HAVEN BOARD OF LIGHT & POWER
U-16614 CITY OF HARBOR SPRINGS
U-16615 CITY OF HART HYDRO
U-16616 HILLSDALE BOARD OF PUBLIC UTILITIES

U-16617	HOLLAND BOARD OF PUBLIC WORKS
U-16618	VILLAGE OF L'ANSE
U-16619	LANSING BOARD OF WATER & LIGHT
U-16620	LOWELL LIGHT & POWER
U-16621	MARQUETTE BOARD OF LIGHT & POWER
U-16622	MARSHALL ELECTRIC DEPARTMENT
U-16623	NEGAUNEE DEPARTMENT OF PUBLIC WORKS
U-16624	NEWBERRY WATER AND LIGHT BOARD
U-16625	NILES UTILITIES DEPARTMENT
U-16626	CITY OF NORWAY
U-16627	VILLAGE OF PAW PAW
U-16628	CITY OF PETOSKEY
U-16629	CITY OF PORTLAND
U-16630	CITY OF SEBEWAING
U-16631	CITY OF SOUTH HAVEN
U-16632	CITY OF ST. LOUIS
U-16633	CITY OF STEPHENSON
U-16634	CITY OF STURGIS
U-16635	TRAVERSE CITY LIGHT & POWER
U-16636	UNION CITY ELECTRIC DEPARTMENT
U-16637	CITY OF WAKEFIELD
U-16638	WYANDOTTE DEPARTMENT OF MUNICIPAL SERVICE
U-16639	ZEELAND BOARD OF PUBLIC WORKS
U-16640	CMS ERM MICHIGAN LLC
U-16641	COMMERCE ENERGY, INC.
U-16642	CONSTELLATION NEWENERGY, INC.
U-16643	DIRECT ENERGY BUSINESS, LLC
U-16644	FIRSTENERGY SOLUTIONS CORP.
U-16645	GLACIAL ENERGY OF ILLINOIS, INC.
U-16646	INTEGRYS ENERGY SERVICES, INC.
U-16647	MIDAMERICA ENERGY COMPANY
U-16648	PREMIER ENERGY MARKETING L.L.C.
U-16649	QUEST ENERGY, L.L.C.
U-16650	SEMPRA ENERGY SOLUTIONS LLC
U-16651	SPARTAN RENEWABLE ENERGY, INC.
U-16652	U.P. POWER MARKETING LLC
U-16653	WOLVERINE POWER MARKETING COOPERATIVE, INC.

(2011 REP docket numbers)

Commissioner Martinez moved that the Commission adopt and issue order dated February 22, 2011 which adopts docket numbers for the filing of renewable energy plans and reconciliations, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The order was adopted.

C. GAS

1. U-15451-R MICHIGAN CONSOLIDATED GAS COMPANY
(2009 GCR reconciliation)

Commissioner Martinez moved that the Commission adopt and issue order dated February 22, 2011 which involves the application of Michigan Consolidated Gas Company for a gas cost recovery reconciliation for the 12-month period ended March 31, 2009. The order before you grants the petition for rehearing and clarification filed by Michigan Consolidated Gas Company and clarifies the October 14, 2010 order, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The order was adopted.

2. U-15703-R SEMCO ENERGY GAS COMPANY
(2010 GCR reconciliation)

Commissioner Martinez moved that the Commission adopt and issue order dated February 22, 2011 which involves an application by SEMCO Energy Gas Company for reconciliation of a gas cost recovery plan for the 12-month period ending March 31, 2010 for its Battle Creek Division. The order before you approves a settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The order was adopted.

3. U-15964 COMMISSION'S OWN MOTION
(merger and acquisition rules)

Commissioner Martinez moved that the Commission adopt and issue order dated February 22, 2011 which involves the promulgation of rules governing the application process and standards for Commission approval of a merger, acquisition, or transfer of control of a jurisdictional regulated utility. The order before you approves

the revised rules for submission to the Legislative Service Bureau and the State Office of Administrative Hearings and Rules for their formal approvals, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The order was adopted.

4. U-16490 HAYES OTSEGO PIPELINE, LLC
(pipeline)

Commissioner Martinez moved that the Commission adopt and issue order dated February 22, 2011 which involves an application by Hayes Otsego Pipeline, LLC, for authority to construct and operate the Hayes Otsego Pipeline in Otsego County. The order before you approves the application, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The order was adopted.

IV. PUBLIC COMMENTS

There were no public comments.

Chairman Isiogu announced that the MPSC issued a press release today noting that the Michigan Saves Home Energy Loan Program is now available statewide to eligible homeowners.

Chairman Isiogu announced that the next regularly scheduled Commission Meeting will be held on March 17, 2011.

Commissioner Martinez moved that the Commission adjourn, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The motion was approved.

The meeting adjourned at 1:40 p.m.

Mary Jo Kunkle
Executive Secretary